

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1239 - SB 1165

March 19, 2019

**SUMMARY OF ORIGINAL BILL:** Deletes provision from statute requiring private employers with 50 or more employees to verify the work status of employees through the federal work authorization verification service, E-Verify. Requires such employers and all governmental entities to utilize E-Verify for employees hired on or after January 1, 2020. Prohibits a state or local governmental entity from contracting with any business that does not provide evidence of work status for each employee whom will receive public money pursuant to the contract.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (006250):** Deletes and rewrites all language after the enacting clause such that the only substantive changes are: (1) changing the number of employees a private employer can employ before being required to utilize E-Verify to 25; and (2) deletes the provision prohibiting a state or local government entity from contracting with any business that does not provide evidence of work status verification.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 50-1-703(b), private employers with 50 or more employees are required to verify the work authorization status of employees hired on or after January 1, 2017, through the E-Verify program.

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- The proposed legislation would require private employers with 25 or more employees and all governmental entities to verify the work authorization status of employees hired on or after January 1, 2020, through the E-Verify program.
- Pursuant to Tenn. Code Ann. § 50-1-702(13), a private employer is any person required by federal law to report compensation to at least six employees.
- The proposed legislation would require an employer with 25 to 50 employees to verify employee work authorization status through E-Verify; employers with greater than 50 employees were previously required to utilize the program.
- E-Verify is a free work authorization program offered by the United States Department of Homeland Security.
- No significant fiscal impact to state or local government.

## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- The proposed legislation requires employers with 25 to 50 employees to begin verifying work authorization status of employees hired on or after January 1, 2020.
- E-Verify is a free work authorization program offered by the United States Department of Homeland Security.
- There is no estimated significant impact to commerce or jobs in Tennessee.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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